

§ 308.5 Applicant requirements.

Each application for a grant under part 308 must:

(a) Include evidence of area and applicant eligibility (see part 301 of this chapter). For Technical Assistance under the Economic Adjustment program, if the project is regional or national in scope, EDA may determine that the requirement that public or private nonprofit organizations must act in cooperation with officials of a political subdivision of a State is satisfied by the nature of the project;

(b) Include, or incorporate by reference, if so approved by EDA, a strategy, as provided in § 301.3 of this chapter (except that a strategy is not required when a funding request is for planning assistance, *e.g.*, a strategy grant);

(c) Identify the sources of the other funds, both eligible Federal and non-Federal, that will make up the balance of the proposed project's financing, including any private sources of financing. The application must show that such other funds are committed to the project and will be available as needed. The local share must not be encumbered in any way that would preclude its use consistent with the requirements of the grant; and

(d) Explain how the proposed project meets the criteria of § 308.2.

[64 FR 5429, Feb. 3, 1999, as amended at 64 FR 69879, Dec. 14, 1999; 65 FR 71025, Nov. 28, 2000]

§ 308.6 Post-approval requirements.

(a) Financial, performance, and progress reports will be specified in the Special Award Conditions of the grant.

(b) Projects involving construction shall comply with the provisions of subpart B of part 305.

(c) RLF Supplemental Requirements and Guidelines—RLF grants are subject to the requirements set forth in this part and the publications: EDA's RLF Standard Terms, EDA's RLF Administrative Manual, and EDA's RLF Audit Guidelines, Appendixes B–D of this part displayed at EDA's web site, <http://www.doc.gov/eda>. A copy of these documents is available from EDA and a copy will be furnished to an award recipient with the Offer of Financial Assistance.

Subpart B—Special Requirements for Revolving Loan Fund Projects and Uses of Grant Funds

SOURCE: 65 FR 2532, Jan. 18, 2000, unless otherwise noted.

§ 308.7 Revolving Loan Funds established for business lending.

EDA grants to capitalize or recapitalize Revolving Loan Funds are most commonly used for business lending, but may also be established for public infrastructure lending or other authorized purposes involving lending. The RLF requirements in this subpart B are applicable to RLFs established for business lending. Appropriate modifications of these requirements will be addressed in special award conditions to accommodate non-business RLF awards.

§ 308.8 Definitions.

As used in this part:

Closed loan means any loan for which all required documentation has been executed, received, and reviewed.

Guaranteed loan means a loan made and serviced by a lending institution under the agreement that a third party (*e.g.*, a governmental agency) will purchase the guaranteed portion if the borrower defaults.

Program income means gross income received by the grant RLF recipient or the sub-recipient directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. Program income includes principal repayments and RLF income.

Prudent lending practices means generally accepted underwriting and lending practices for public loan programs based on sound judgment to protect Federal and lender interests. Such practices cover loan processing, documentation, loan approval, collections, servicing, administrative procedures, collateral protection, and recovery actions. Prudent lending practices include compliance with local laws and filing requirements to perfect and maintain security interests in RLF collateral.